

# MSCI Mid-America Chapter Hears From Energy Expert



Above (l-r): Stephen Schork, editor of the Schork Report, and MSCI Mid-America Chapter President Bill McGah at the March MSCI meeting in Kansas City.

The Mid-America chapter of the Metals Service Center Institute (MSCI) held a reception and dinner on February 16<sup>th</sup> at the Ameristar Casino in Kansas City, Missouri.

The featured speaker for the meeting was Stephen Schork, editor of *The Schork Report*, a subscription newsletter providing technical and fundamental views of the energy markets.

Schork has extensive experience in the global energy trading arena including: physical commodity trading; derivatives trading; risk systems modeling and structured commodity finance. He was a floor trader on the New York Mercantile Exchange energy complex.

Schork spoke about the various factors that impact energy prices (oil and natural gas). He noted that supply and demand are not necessarily the main drivers. Lack of on-hand inventory, lack of processing capacity and the "Fears of running out" have a big impact on the pricing. Schork also pointed out that population growth and surplus vehicles are driving consumption in the U.S.

"Oil is relatively cheap," commented Schork when he discussed the prices over the last 30 years, after adjusting for inflation. This is especially true, he noted, after considering the various wars in the Mid-East, 9/11, hurricanes and political instability in South America.

He then discussed the political and economic conditions of the main petroleum suppliers to the U.S. including: Canada, Mexico, Saudi Arabia, Venezuela, Nigeria, Iraq, Angola and Kuwait.

Overall, Schork felt that the higher energy prices being seen today are here to stay for now.

For more information about the *Schork Report* go to [www.schorkreport.com](http://www.schorkreport.com).

For more information about the MSCI Mid-America chapter email: [steelcoilhco@aol.com](mailto:steelcoilhco@aol.com) or go to [www.ssci.com](http://www.ssci.com).



Above: Part of the audience at the March MSCI meeting.

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